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CENTRAL INTELLIGENCE GROUP

~~INTELLIGENCE REPORT~~

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COUNTRY Germany (French Zone)

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SUBJECT The Leibbrand Plan for the Economy of the French Zone

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1. Baden Minister of Economy Dr. Leibbrand has been very active during September in public and closed meetings discussing economic proposals. In a public speech in Freiburg in mid-September, he developed political and economic ideas which have come to be known as the Leibbrand Plan.

2. The Leibbrand Plan is based on the theory that France is the door to the world market for German economy and that Germany's future is dependent upon close economic and political cooperation with France. In economic practice, this calls for a large increase in productive capacity for the industry of the French Zone, particularly Baden. With production raised to a level permitting export, exportation could be handled in cooperation with France on a fifty-fifty basis.

Leibbrand declared that increased industrial capacity could be achieved with the aid of interested Swiss firms and maintained that Swiss business circles favored his credit plan. He advocated requesting Gouvernement Militaire permission for a Swiss loan of fifty to sixty million Swiss francs, which could be amortized by ten million cubic meters of timber to be delivered to Switzerland over a period of ten years. An Oficomex official reported that, in addition to the public credit plan, Dr. Leibbrand had negotiated for a credit of 130 to 150 million Swiss francs with private Swiss firms.

3. It is reported by members of the SFIO directorate that Dr. Leibbrand visited Paris in July 1947 and there conferred with Andre Fribourg, a French journalist who came to the French Zone in September. Shortly after Fribourg began to expound his ideas of economic cooperation between France and the French Zone, Leibbrand came out with his own similar plan.

5. The Leibbrand Plan was discussed in the press, and the minister has been working to sell it to Baden industrialists, trade unions, and the SPD. At the end of September and on 6 October 1947, he

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explained his ideas in closed meetings of Social Democratic functionaries. SPD and trade union reaction, shared largely by Baden industrial circles, is not openly hostile to the Leibbrand Plan but characterizes it as selling out Baden industry to France and a few Swiss banking houses. Leibbrand is reproached for presenting his plan as original, when it is obviously developed by French initiative, according to its detractors.

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